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CANADA'S WEEKLY NEWSMAGAZINE | www.macleans.ca

FEBRUARY 2 2004

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POLITICAL SHARK-JUMPING

Just one gaffe can destroy a high-end career. Can Belinda Stronach avoid that?

IF YOU FOLLOW pop culture, you probably know the expression "jumping the shark." It refers to an episode of the old television show *Happy Days* in which Fonzie fires sharks, and escapes by jumping over them on water skis. That was the moment at which the show went over the top. The expression means the point at which something that was once doing something so impressive that virtually all credibility is lost, and—no pun here

she—can never be taken seriously again.

Politics, with its high theory and low comedy, often has shortage of shade-jumping. The latest is Howard Dean, whose popularity ran after his loss in the Iowa Democratic caucuses lately doomed his presidential hopes. As with most classic cases of sharking, it started existing doubts about a specific element of character, and made clear those doubts were justified.

In Canada, past shark jumpers include Stockwell Day, with his appearance before reporters on a *50 State* blazer, and former Toronto mayor Mel Lastman, with his declaration that he was afraid of visiting Africa because he feared finding himself "in a pot of boiling water with natives dancing around him." You could also argue that Joe Clark's world tour in 1979—during which he said and did a series of awkward things—was an extended case of shark jumping from which he never fully recovered.

Now comes Belinda Stronach, whose candidacy for the leadership of the Conservative party is examined by Peter Mansbridge (page 27), Barbara Aronell (page 21) and John Godebs (page 18). In her first days after entering the race, she didn't shark, because perfectly clear Stronach is blood, intelligent, tough-as-nails (37), and wealthy beyond most people's dreams. There are also all disadvantages, given the nastiness and envy they arouse in Ontario. But way, Stronach has exposed herself to extraordinary scrutiny—and doesn't seem comfortable with that.

Like Dean, Stronach positions herself as an outsider from traditional political circles. But the classic self-described outsider goes to victory, the winner at the odds is over the odds the riskier she opposes. That being said, a reinforced mesh default by the

“Joe Clark's world tour in 1979 was an extended case of shark jumping from which he never fully recovered.”



Anthony Wilson

fact that many political journalists are as suspicious as the people they cover of outsiders invading their turf. So Stronach's role as a cycling off outsiders, underestimates people reporting on her effort. The shade, in this case, have been waiting from the previous she entered the race. Like Fonzie, she's chosen to make a political jump. Unlike him, she now has to avoid being ridiculed in the process.

In the past year, many readers have inquired about Executive Editor Bob Lewis, who's been on leave fighting cancer. He's back at work, looking healthy, unchanged other than a gonorrhea (not shark), and being in evening, almost perfect and consistent as ever overword usage, photo selection, and anything that has anything to do with basketball or hockey. All in all, in short, as it should be there again. We're doing good.

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'The key to making our cities work will be motivating the people who live within them to get involved in their operation and betterment.' —Brew Colbyn, Toronto

City planning

The problems of cities may be similar, but their priorities are different ("How to make our cities work," Cover, Jan. 19). Infrastructure may be a major concern in Toronto and Calgary, but not in Montreal and Halifax, which have managed growth much better. Therefore, cities should be allowed to find their own ways to deal with challenges, and federal and provincial governments should allow them freedom to tax metropolitan just property. Cities should be allowed to have their own income tax, gasoline tax or whatever they wish. It will be a big step forward even if it just prevents an ill-fated tax on the tax base. Nothing will improve until we get out of the mentality that taxes are evil and that is what is not cutting. *Scottie John, Ontario*

The choice of major Gerald Thibault for the Montreal version of your cover on how to make a city work is better than any I could. The communities on Montreal Island were forced into a merger without any sort of democratic consultation. Happy suburbs were just erased. Some property taxes went up, services went down, roads and highways fell apart, coalitions representing former cities got fed up and quit. The first major snowfall was left on downsworn streets to the point that shoppers went elsewhere—and much, much more. *Rick Wilkes, Montreal*

No in-depth analysis about managing (or changing) the huge traffic flow, nothing about the difficulties of dealing with a population for a huge concentrated population, nothing about sewage treatment, nothing about the long-term environmental effects of urban sprawl. There was no analysis of the social effects and stress of a megacity. Nothing about change in corporate culture and relocation to outlying communities. Nothing about attempting to reduce the population/culture away from the megacity environment. And no suggestion of any solutions. *Steven Clark, Portsmouth, Ont.*



At loggerheads

As a former safety specialist, I am appalled at the extent to which logging accidents are still happening in B.C. ("Wood in the woods," British Columbia, Jan. 19). Reading your report reminds me of what we faced in Ontario Hydro in the late '70s and early '80s. Two human would die per year with many others seriously injured. Like the B.C. logging industry, we were always blaming the worker. But as management theory worked, trade management more noticeable and made sure that the workers were provided with and used the appropriate safety equipment and made mistakes. In other words, working safely became

Mark of controversy | Do the ABCs help or hinder young students?

"Why report cards count our side" (Cover, Jan. 12) sparked great letters from parents of the future. I'm not, so I can't say that teachers have lost many years pursuing reports, but, like better spent on teaching, not for Joseph D'Amico's. The issue is simple. "Grades," he writes, "no more tell student motivation from the slipshod kids' attitude motivation."

a way of life, and final wisdom stopped for some years. It is not an easy task, but if the will is there, it can and has been done. *Don Buckleham, Sharncliffe, Ont.*

'A nice word for assault'

As a recently retired judge, who held countless people accountable for their whacking, and who was raised by parents who never whacked, I was struck by Brian Bergman's comments about school boards in some provinces allowing corporal punishment ("The day I was whacked," Over to You, Jan. 12). Adults are charged and punished for hitting others, especially if they use a weapon. We've always had exceptions: under some circumstances, men could hit their wives, employers their employees. Those exceptions have gone the way of the dodo. But now, the only exception applies to kids. Surely the day has come when it should be illegal to whack kids, especially to use or threaten to use a weapon (whip, stick etc.). Whacking is just a nice word for assault, and whapping, just a palatable word for assault with a weapon. Neither are needed to parent or teach kids, and we certainly shouldn't be delegating decisions about it to local school boards. *Ross Morley, Regina*

In the late 1930s, my Grade 3 teacher in small town central B.C. used mulberry branches as cues instead of the strap. It was the class monitor's job to see that every morning a fresh, supple cane was on the teacher's desk, ready for use. In whack time, scribbles and left green marks all over us. My parents told me it was a "fiddle." "You must have done something wrong to deserve it." One teacher delighted in brutally twisting our noses. Once when I had a bad cold, I purposefully made some obnoxious sounds in class. When the teacher took hold of my nose and was about to twist it, I blew as hard as I could. He never again touched our noses. But I also owe my love for Urdu poetry to the same teacher. *Lochan Pothal, Vancouver*

I also was a student who was whacked many years ago, and I think all the talk about the strap being as violent as being blown out of proportion. In school I received the strap once once for something I had done wrong, and the second time because, like so many young boys, I egged the teacher on until she had to give me the strap, a badge of

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honest. When I also remember about school from those days is that the classrooms were quiet, we listened to what the teacher told us—and we learned. My grandpa talks about school today as being a war zone, an atmosphere not conducive to learning. When he complained to the teacher about all the noise in his classroom and how hard it was to concentrate, he was told to “ignore the noise.” Whether or not it was the dreaded strap that brought order to the classroom, students in those days paid by had respect for teachers, parents and authority in general. Something we do not see today.

Bruce Gordon, Nanaimo, B.C.

Evaluating evaluation

As a teacher who has been around for nearly 30 years and currently teaches special education in an Ontario elementary school, I agree that the current climate of assessment and grade reporting is damaging the motivation and learning of many students as well as destroying the morale of many teachers, especially at the essential early grades. “Why spend cash on our kids,” Covert, Jan. 12.



“It is completely unrealistic to expect all children to succeed to a B or an A level.”

Now we have a huge curriculum and rigid standards to ensure consistency in grading. This has led to a generation of teachers who deliver ourselves rather than teach children, who spend more time on assessing students than on ensuring them to learn. It has created a culture where teaching to the test is a

venue, not a sin. The curriculum itself has many great elements and, when taught correctly, encourages creativity and knowledge. However, many teachers are caught on the treadmill of external program delivery and evaluation, not just filling the buckets but constantly weighing them.

Stefley Henning, Vernon, B.C.

As a retired educator, I want to emphasize the most subtle flaw about report card grades—they report the student's achievement, what he/she has learned. A letter grade reflects both the level of achievement and the student's achievement compared to classmates. Furthermore, it is completely unrealistic to expect all children to succeed to a B or an A level. All children are not created equal. Get used to it.

Frank DeMaio, Abbotsford, B.C.

Hero or villain?

I sincerely hope that business columnist Donald Cox was wrong in his prediction that Deng Xiaoping will be remembered as one of the four or five greatest men of the 20th century (“The Asian Revolution,” Jan. 12). While I take his point, that Deng's reforms set China on the course of modernization and have lifted millions, if not billions, out of poverty, surely history will not overlook China's darkest hour of the modern age, the Tiananmen massacre of 1989, which took place under his direct orders. It would be sad indeed if such a figure came to be celebrated as a hero.

Ken Davidson, Vancouver

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BEHIND THE SCENES



NOMINATE YOUR CANADIAN SCHOOL

Maclean's and *Today's Parent* are doing a special report on top Canadian public schools (and Catholic schools), with 25,000 elementary and high schools to choose from, we need your help.

Education is constantly under scrutiny. But usually it's the flaws in the system that come to the fore. Things like shoddy ceilings and peeling paint, violence in the schoolyard, and cuts to music and physical education classes get the headlines. "We tend to overlook the good news—even though many of us can point to committed educators and innovative programs in our own communities," says *Maclean's* Editor Anthony Wilson-Smith. "There are lots of principals out there putting in 14-hour days to create a vibrant and inspiring culture in their schools. It's time we celebrated that," adds Penny Marches, Managing Editor of *Today's Parent*.

You can help by sending us your nominations. We've pulled 60 experts and developed a list of 18 things that make an exceptional school: high-quality classroom teachers; principal's leadership skills; teamwork; parent communication and involvement; a caring, respectful, orderly and secure school environment; community involvement; high student expectations; student engagement and leadership; academic excellence; and excellence and innovation in new-core programs.

To nominate a public or Catholic school, go to macleans.ca (for high schools) and todaysparent.com (for elementary and middle schools). Follow the links and fill out a nomination form. Or write us with the name, address and phone number of the school you're nominating. Include the principal's name and a brief summary of what you think makes it exceptional. Don't forget to include your own name and phone number, too. Send your nomination by fax to: 416-764-5628 (attention: Sue Ferguson) or by post to: *Maclean's*, Great Schools Project, One Mount Pleasant Road, Toronto, ON, M4Y 2Y5.

What's special about your school—charismatic principal, engaged teachers, a caring online meet? Let us know. Don't delay: Nominations close on February 15.

If you prefer to nominate a private school, contact us at behindthescenes@macleans.ca.

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UPFRONT

Mary Janigan | ON THE ISSUES



THE HARBOUR THREAT

Canada is beefing up anti-terrorism security in our ports, but we remain vulnerable at sea

GOVERNMENTS ADAPT slowly to changing times. Bored in a recent Senate report on coastal security, there is the chilling observation that a Canadian Security Intelligence Service officer in our embassy in The Hague overruled the nearby port facilities in Rotterdam, even though it was an out-of-office point for Canada-bound vessels. Instead, she focused her attention on the International Court of Justice. "The letters a commendable initiative," the minister's security committee report noted tartly, "but is an assessment of what kind of suspicious vessels might be departing for Canada."

Almost 30 months after the Sept. 11 terrorist attacks, we still do not have proper shipping security. Last month, Paul Martin created a security cabinet committee and a Public Safety Department under Deputy PM Anne McLellan. Good start. But it is hard to see security when you don't have solid intelligence or good defenses. We have neither. "If you look at where we are, if you add it all up, it is frightening," says Wesley Clark, an international relations professor at Toronto's Munk Centre for International Studies.

The more easily solvable problem comes in the ports. In December 2002, Canada endorsed extensive new security measures drawn up by the 163-nation International Maritime Organization, the UN agency that promotes maritime safety. Federal bureaucrats are now drafting more than 600 regulations to ensure full compliance by Coastliners and port facilities. By Dec. 31, for one, larger vessels entering our waters will be required to carry transponders broadcasting their location.

By July 1, port facilities, including the 79 major ones, must produce plans to meet minimum security standards such as personnel training, surveillance cameras, access areas and security clearance for personnel. They must then implement those plans within a "reasonable time frame." Clearly, such measures should have been introduced long ago. Now, the risk to comply could be port shutdown. The Canadian Coalition for Maritime Security, which represents port operators, says the cost could be as much as \$100 million—and has asked for Ottawa's help with the tab. (The U.S. government has funded US\$679 million for its ports since Sept. 11.)

And there is the more delicate question of security on the seas. As the Senate report noted, the Canadian navy sees its role as providing long-term deployments offshore. Its coastal vessels are too clumsy and too slow to police the coasts, it uses them to transceive. But the Canadian Coast Guard is untrained in policing and its vessels are outdated. It would probably need new vessels to perform constabulary duties. "We need to be able to look beyond the horizon, to know what's coming at us," says Clark. "And we do not have the capabilities."

So what now? Martin put the Transport Department in charge of transport security. But then he named the new guard was a special operating agency at Fisheries. Senate committee chair Colin Kenny leads the start—but he would rather. The coast guard should police our waters—and the part of the Deputy PM's Public Safety Department. "You should be able to see coast guard, navy and air force people, side by side, at operations centres on both coasts," he says. "We need a seamless fusion of intelligence." Meanwhile, his report remains correct: we have the "longest under-defended borders" in the world.

Mary Janigan is a political and policy writer, maryjanigan@canadareports.com

FaceTime



Video

reportedly \$500,000 in back pay. Jan 10, 1992, 12, was formally discharged from the RCMP 60 days after 50 years after he was captured during the first days of the Korean War and held as a POW in the North. Jan accepted last time by releasing across a river into China. But it took 10 months for service officials to see a POW.



10/1/2004

The incident was not serious, it was a minor incident. But it had been a threat to national security. In March 2004, a group of 1000 people, including 1000 people, were arrested. In March 2004, a group of 1000 people, including 1000 people, were arrested.



10/1/2004

Even a minor TV ad.



10/1/2004

A police officer's loss.

The incident was not serious, it was a minor incident. But it had been a threat to national security. In March 2004, a group of 1000 people, including 1000 people, were arrested. In March 2004, a group of 1000 people, including 1000 people, were arrested.



FOR ALL THE TALK about how Michelle Senechal Starnach is her campaign's leader for the Conservatives, in effect she was not pretty. She was too noxious to the justice to her sickly confused spouse, too wary to let her considerable charm be repaid to wit in private those through whom she found the *cracks afterwards*. And, then, the son of the political conning our party is her hometown, Aurora, Ont. — just north of Toronto, was to present her as a potential winner, not merely winnowed. And to accomplish that, as her very campaign director John Laschinger explained to *Maclean's*, the top priority was to quell the speculation that Starnach might be all personality and no policy. So the offed a series of press conferences, from proposing partial mortgage tax deductibility to supporting gas rate rises. Suddenly, there was content in what had seemed an empty though intriguing vessel. Michelle accomplished — at least partly.

A photograph of Belinda Hovell speaking at a podium. She is wearing a dark blazer over a light blue top. Behind her is a banner with the word 'NOW.' and a small portrait of a man. The name 'BELINDA' is printed in large, bold, white and blue letters across the bottom of the image.

Harper's most persuasive campaign to ensure they turn out to be the calendar Conservatives will vote for their first leader on March 26, Prime Minister Paul Martin is widely expected to call an election early in April. That would leave no full day in

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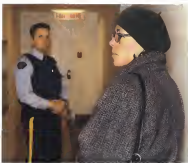
[illegible]

look to take on the formidable Martin.

Harper makes the case that he's best positioned to let the ground rumble. As former Alliance leader, he has national experience in going with his roots in the party's crucial western strongholds. Although Storchak makes much of losing her Martin for three years, growing up Frank Storchak's daughter isn't enough to build a political career on. Her campaign will have to be fueled more by who she is than what she's done. She's a woman, and winning over men often seems a proven difficult for right-of-center women. She's from Ontario, where the Conservatives lost for breakfast. And she's young, just 32, which Lachyngier does particular attention to when asked to sum up her potential appeal against the 65-year-old Martin. "A woman who's in her 30s against a guy who was born in the 1940s."

Lachyngier hopes the Storchak package adds up to something. "There's three for this in Canadian society," he declares. Maybe so, but with elections come risk. Many Conservatives remember all too well past expectations with dull seeking former Canadian Alliance members through through Storchak will flip backdrops, and one time Progressive Conservatives have their Mary Campbell nightmare. The costly analytical Harper evidently looks after. As well, his western credibility could be critical, given strong recent Liberal poll results across the West. Clement never less likely to see this as a bridge builder between the now failed party's naturally sceptical Tory and Alliance factors, incoherence to both.

One tricky factor to assess is the novel preferred ballot that will be used in the March 20 vote. Party members will rank their chosen candidate's preferences. If no candidate is the first choice of more than 50 percent, then the second choice will be counted again. This time, though, the candidate who got the lowest number of first-place choices will be dropped. The remaining one then pick up their second-place finishes on the alternate candidate's ballots. That opens the possibility of a compromise candidate winning—thereby who generated the most of those No. 2 picks. What does that mean tactically? "You've got to be sure to everybody," Lachyngier cautions. Get ready for an unexpectedly polite campaign.



'That is so Orwellian'

NDP officers raided the home and office of Ottawa Clinton reporter Juliet O'Riordan, 38, last week, seizing her notebooks and computer files. They were searching for the source of O'Riordan's Nov. 11 front-page story in which she reported details of secret government documents related to Maher Arar, the Canadian who is being high-ranking U.S. officials over his deportation in 2002 from New York to Syria because of suspected links to al-Qaeda. The missing upper over the wall caught up to Paul Martin in Davos, Switzerland, where he was attending the World Economic Forum. The PM said the RCMP should bury themselves finding out who leaked government secrets, and these who reported them. O'Riordan [blacked] would also risk it happens in the name of security.

I've heard people use the terms "fief" and "police state." But I've lived in police states. I've seen people die for the right to vote and for freedom of the press. We're a long way from that. But we do have to guard our democracy and our freedoms.

The RCMP told me that they were looking for a document and the source—where did I get it? One of them told me that I would be

charged with an offence, and said it was my decision where we went with this. Which all amounted to, "You can tell us right now and get out over with—or else." When I studied the card of the male guy who wanted to talk, it said he was from the "Southwest section." I said, "That is so Orwellian." I could tell I wasn't the first to make that note.

When I went into any dressing room, one of the female officers was in my underwear drawer. She had white gloves on and looked at me, but I couldn't look her in the eye. I thought, "What is dreadful, girl, rifling through people's underwear?" I found myself purposely becoming detached.

A lot of journalists, editors and lawyers were caught off guard by the security of information Act that was cited in the search warrants. Which, to me, is sort of like search on all of us. I guess the law got hanged in with all the post 9/11 changes. Now we're all heavily aware of it. It goes beyond the question of whether the police are abusing the law. We should also ask why we changed the law to cover working journalists. It's quite amazing that a story with a document and a source—these in the newspapers everywhere, every day—could constitute a maximum 34-year sentence.



DUMB BLOND? NOT BELINDA

Storchak's leadership bid seems a good thing for Canadian politics

THERE IS A BELINDA Storchak moment in the film *Legally Blonde*. Reese Witherspoon, playing the wonderfully wise-eyed, Delta Goodrem-esque queen named Elle Woods, has won acceptance at Harvard Law School. She has given her pink and coral roomies an incredible professor. "Do you think," begins to his assistant while stuffing her c.v., "that the year will open up thinking and said, I think I'll go to law school?"

How would it have been with Belinda? Would she have looked out of her window at a gleaming white Canadian morning with sunlight then and sharp as a razor and to

herself, "I think I'll be prime minister." Well, wait, run, day, but when Belinda was public with her announcement last week that she was running for leadership of the Conservative party of Canada—the second prairie woman in the shadows.

There is no public record of 37-year-old Ms. Storchak, state party CEO and former Minister of International Trade, ever having said a word on policy issues. No one seems to have heard her publicly utter an opinion or even ask a political question when she attended meetings—attendees with the political right. This may be a sign of good breeding, even common sense, and it's certainly not an indication of lack of intelligence. But it is mysterious. Normally, people wanting to lead political parties have

an empty vessel. She may not want to be surprisingly good, depends what neurons, ideas and ideas fill her up. Unfortunately, her proposed debate agenda had that one sound of advertising copy: "I want you to get involved. I want to hear your comments. That dialogue means right now at Belinda.com, not Web site." And in one of the former paragonisms of speech writing, the very next sentence: "Do you believe, in fact, that Canada deserves better?" Yip. Storchak. Still, perhaps you got used to communicating in one form after being named to a world-changed newspaper's special slot.

Her opening platform list was the case of policy matters that many people would approve of: the building up of our defence program, along with the health and apple

party get attention. If she wins or even comes in a respectable second, she will have done it on her merits and proven herself against all odds to be a good campaigner and possibly a person of some weight. The measure of whether you, the better you lose to be. In any case, all she would get for the moment is the chance to lose to Paul Martin and gain experience while in Opposition.

Only one aspect of this is worrying. It is those scribbles backwards that turn up in her phrases. She wants Conservatives to be "in charge" with a "unilateral approach." One voted with stipulation for the "big test." It was said the next day.

If Belinda and her backers start tailoring policy to groups like "women" or "minorities," Canada's voters might as well stick with the Liberals. That's what you'll see and you'll hear and far from away from the idea of a genuine liberal democracy made up of all sorts of individuals. What you have instead is an arrogant group state trying to be itself—selfish, hostile, mean. Group politics are maddening for another reason as well: "Women." For example, not also consumers, medical professionals, parents and reporters, as Storchak might know. Any group has a myriad of contradictions.

Nothing would be more certain than to find that these new Conservatives, having got rid of the Red Tories that ran the Progressive Conservative party into the ground in 1993, have after all the corrective surgery and healing of 10 years, headed off back to that same direction through Belinda.

I may be reading the tea leaves wrongly. Time will tell. And one other thing in *Legally Blonde*, the ditz blond at the film's beginning ended up being the legal whiz and Harvard Law School valedictorian. Only on the movies, you say? We know.

Barbara Amel's column appears monthly in *Maclean's*. (646) 962-1000

IF SHE wins or comes in a respectable second, she will have done it on her merits and proven herself to be a good campaigner and possibly a person of some weight.

previews) though I'm not certain about the state of mind of those who don't believe in government and lower taxes. She appeared to be a fiscal conservative and enough to dance over the grossly issues of social conservatism that can be a campaign slogan, by balancing her opposition to de-centralization of municipalities with an endorsement of same-sex marriage. All in all, it was a reasonable sign for a modest career leader.

On the whole, Belinda seems a good thing for Canadian politics. A major business makes an annual candidate for election, and she's intelligent as Storchak himself says.

Ms. Storchak is a diplomat (the next)

HOW TO MANAGE YOUR MONEY

Economic indicators are encouraging and investors could be in for another good year. But in 2004, as always, it's buyer beware.

BY KATHERINE MACKLEM

THE MARKET is up. Bonds are down. Tech's hot. Go for gold. Oh, look, Nortel's doubled in value—again. The endless swirl of business news and advice can leave you dazed and feeling incapable of making an intelligent investment decision. Even that old standby of individual investors, the mutual fund, is regarded with skepticism. For the first time in recent memory, Canadians pulled more money out of mutual funds last year than they put in, even though fund returns bounced higher in 2003. Many investors were no doubt still fearful of the damage wrought by the recent bear market, not to mention wary of the trading scandals casting a pall over the entire industry. And many here finally began to question the cost of owning funds burdened by a confusing array of front-end loads, back-end loads, trailer fees and management expense ratios

(MERs) that eat up a lot of the gains or sleep on the losses. It's not that all mutual funds are bad, but neither are they all good.

What's an investor to do? Sadly, there's no silver bullet. If you don't have a lot of money and can't afford top-notch investing advice, you need to read as much as you can about the markets. If you want to buy mutual funds, find out each fund's criteria for selecting stocks, who the fund managers are, what



MACLEAN'S | **INVESTING**

O'BRIEN, who's been in the business for more than 30 years, lives by a new maxim: keep emotions out of investing

also track record is. And though the record, casual mutual funds against the alternatives. Many income trusts have performed well in the last few years. Exchange-traded funds that track stock market indexes often offer the benefits of mutual funds but have lower MDAs. Bond returns have been falling, and stocks, though rebounding in value after a couple of declining years, pose a higher risk.

The business of investing seems placid, and while you might get lucky with the occasional stock pick, your chances of doing well improve if you do your homework. *Blackwell's* capital analyst, personal finance researcher says help. On these pages you'll find a graph that compares the returns of

Canadian equity mutual funds to the performance of the S&P/TSX composite index—the stock market clients reach for, but handles more professionally—and there is a chart of the returns of mutual funds for 2003 that illustrates the range in returns: one fund more than doubled in value, and another lost more than 10% in value. For top flight investment professionals offer their views on the economy and the market for the coming year. And as always, we have the Market's Hot 100—the best stock charts in the pack.



O'Brien learned from his losses

age, it was compiled by Morningstar Inc. search line—which tracks the performance of all funds offered in Canada.

Mr. O'Brien is the winner of the following four Canadian investment whose performance range in size from modest to millions and who've chosen very different paths to investment success. In fact, the only thing they have in common is they've all taken an active role in researching, designing and implementing investment strategies that suit their own individual circumstances. And that's the key—finding the investment plan that meets your needs and lets you sleep at night.

With 11% portfolio in emerging securities. At the height of the tech boom, investments of more than \$1 million were made in the market. Larry O'Brien advised clients and friends to hold out of such stocks. The market had inflated to bubble-like levels, and it would be terribly risky to stay in. "I had gone too far, too quickly," he says. Unfortunately, O'Brien didn't take his own advice, and because some investments were locked in, he lost \$2 million of his own money. "I got caught in the dot-com meltdown," he says, still chastised. "It was just stupid. I never been."

O'Brien, 58, has been in the securities business for more than 30 years, working in Toronto, London, New York and now Vancouver. He's seen it all, he says, he's lived like he's lived before. Today, he's chairman and CEO of Van Arden Asset Management Ltd., a money management firm that lives by O'Brien's new investment maxim: keep human emotions out of decisions. At Van Arden, a computer O'Brien likes to call Hal decides which stocks to buy or sell, and when, rather than professional money managers. So far, two funds have been created, one with 24 equally weighted Canadian stocks, the other with 25 U.S. equities, all in equal proportions. The computer automatically reacts each holding using statistical means of 240 different scenarios that can change overnight and several days.

Hal's picks are all large-cap blue chips such as Imperial Oil Ltd. or Canadian Air-

HOW THEY PERFORMED

In 2002, only one third of all Morningstar Fund returns were profitable. The results averaged in 2003—only one third of all fund returns declined in value.

AVAILABLE RETURNS IN SELECTED MORNINGSTAR FUND INDEXES (%)



GROWING AGAIN

Total mutual fund assets in Canada in billions of dollars



Mutual fund assets include all but include assets invested in corporate and funds from corporate portfolios.

MUTUAL FUNDS VS. THE TSX

How do Canadian equity funds stack up against the overall performance of the S&P/TSX composite index? Morningstar tracked the average rate of equity funds and the S&P/TSX over 24 years.



*MFR from one deducted from Canadian equity funds, but not from S&P/TSX composite index. Note: Canadian equity funds range from 0.25% to over 1% on an exchange-traded funds basis (0.2% to 0.05%).

THE BEST AND THE WORST

Biggest gains and losses in 2003 among all mutual funds

FUND NAME	TYPE	ASSETS (\$ MIL.)	PERFORMANCE (%)
TOP 10			
Amalgamated Canadian Small Cap	Can. small cap equity	2.6	82.8
Dynamic Power Hedge	4 alternative strategies	52.7	80.5
Dynamic Global Resource	Global resources	24.1	76.8
Invest India	Specialty or international	21.2	72.9
Scot's Small and Precious Minerals	Process metals	20.0	72.4
Dynamic Global Resource	Global resources	24.1	71.2
Amalgamated Canadian Small Cap	Can. small cap equity	2.6	69.4
Invest India	Specialty or international	21.2	66.3
Dynamic Power Hedge	4 alternative strategies	52.7	62.3
Amalgamated Canadian Small Cap	Can. small cap equity	2.6	61.2
BOTTOM 5			
Canadian Growth	Global resources	21.7	-36.5
Amalgamated Canadian Small Cap	Can. small cap equity	2.6	-41.8
Dynamic Power Hedge	4 alternative strategies	52.7	-46.3
Invest India	Specialty or international	21.2	-46.3
Amalgamated Canadian Small Cap	Can. small cap equity	2.6	-51.8

*Source: Morningstar. Data as of Dec. 31, 2003. All returns are annualized.

RANKING THE GIANTS

Canadian equity funds grew by an average of 10.5% last year. Morningstar ranked the 2002 performance of the largest Canadian equity fund from each of the country's 10 largest mutual fund companies.

FUND COMPANY	FUND NAME	ASSETS (\$ MIL.)	PERFORMANCE (%)
TD Asset Management	TSX Canadian Equity 1	1.9	29.7
Investors Group	Investors Supreme	2.1	28.1
RBC Asset Management	RBC Canadian Equity	3.3	26.1
AMP Management	AMP Can Large Cap Dividend	2.3	26.0
CIBC Asset Management	CIBC Can Canadian Equity	6.9	26.0
Fidelity Investments Canada	Fidelity True North A	0.9	26.7
Amalgamated Canadian Small Cap	Amalgamated Canadian Small Cap	2.6	27.4
Franklin Templeton Investments	Franklin Canadian Equity Class A	1.2	19.0
CJ Mutual Funds	CJ Investor Fund	2.2	18.8
Manulife Investment	Manulife Canadian	2.4	8.7

Investor Group Inc. in the U.S. "Humans tend to get greedy," O'Brien says. "They buy well, but they don't sell well. We're talking as much of the human emotion out of the system as we can."

THEIR LOVE MATCH is all the mechanical prompt suggests you leave a miss, followed by red voices chanting, "the happy couple." The voices belong to Simon and Alice Mendelson, who are young (24 and 25, respectively) and just married. And, unusual for their age, they are investing for their retirement years. Alice is an elementary school teacher. Simon, due to graduate in April with an engineering degree from the University of Toronto, is beginning to look for work. Together, they put roughly \$50 a week into their 1993 accounts. Simon calls this a "pre-emptive safety mechanism," adding that "in the long term we'll pay off more than what it's costing us now."

Knowing their money will be invested for decades, they want their investments to be diversified and not, Simon says, "too much in the hot button, wild things." He's been investing in exchange-traded funds that track a specific market index and are typically less expensive to hold than mutual funds. "Long term, the market generally rises," Simon says. "We don't want to pay money for a stock fund." With only small portfolios on this stage, the Mendelsons can't afford the premium and advice that would help them pick the better funds, and they doubt they'd be able to choose a fund that outperforms the index. "You're fundamentally opposed to a mutual fund," Simon says, "but today, it's not really worth it."

MR. MENDELSON, a 40-year-old realtor and mother of two living in Montreal, has almost completely avoided the stock market. She holds some mutual funds, but Mendelson has invested most of her money in real estate. In addition to the family house, she and her partner own and manage two small apartment buildings in the Plateau Mont Royal district, not far from the central Montreal neighborhood where the Mendelsons lived on their first five

PLAMONDON says she hadn't been planning to buy an investment property, but suddenly 'a light went on in my head'

years ago, when she noticed a For Sale sign in front of a triplex advertising that the buyer could live in one of the building's three apartments. She hadn't been looking for an investment property, but "a light went on in my head," she says. Plamondon quickly did the math and realized that if she rented the vacant flat, she could cover her home's mortgage payments while the income from the other two apartments would pay the rest of the new property. It was a no-brainer—she bought the building on the same day the first went to look a over. Two years later, she reacquired the triplex and bought, with a friend, a four-unit building on the same street. She then sold the triplex for a gain of \$110,000. Plamondon owned her share of those proceeds in a one-unit building that she calls a "cash cow."

Plamondon runs money as an occasional CSEGP and university lecturer on art. From the rental property revenues, there's enough left over after mortgage payments and expenses to allow her to spend more time at home with her children, aged three and six, "without panicking about money." And when she retires, she'll sit on either low of the rental income or sell the properties. "I'm not rich, but I have quality of life," she says. "I'm not stressed."

DEEPAK Ramachandran, a 33-year-old co-founder with a high-tech firm who lives in Toronto, is self-described "financial geek." He tried funny and risky investing maneuvers, like put options—"I made some money and lost some money," he says. So, chastened, he has completely changed his investing style in the last year. He's whittled down his portfolio from five or six big assets, a few mutual funds and some bonds to four holdings: oilfield protected bonds, a U.S. stock fund, a conservatively managed Canadian equity fund and an international index fund. "I've stopped trying to pick stocks," Ramachandran says, "because I'm doing a lousy job of it. Now, I'm paying attention to asset allocation."

With his broker, Ramachandran has cre-



The Plamondons started young



Ramachandran found valuable strategy

ated a portfolio constructed to weather the market volatility he expects over the next five years. Ramachandran believes the stock market is overvalued—"It could drop 30 percent," he says. As a buffer against that, he's considering real estate as another asset. The idea, he says, is to take advantage of his home, which is almost mortgage-free and could be leveraged for the purchase of an other property. He doesn't want to rely on

trading on the stock market to build his retirement fund, at least not for the next five years. And now that he's no longer actively trading, he says managing his portfolio has become enjoyable. "It's no longer a source of anxiety or discomfort for me at all," Ramachandran says. "It's fun now."

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Our Panel | **IAN AINSWORTH**, senior vice-president and portfolio manager, Macleod's Financial Corp.
SHERRY COOPER, executive vice-president, Bank of Montreal, and chief economist, BMO Investor Services Inc.
DUNCAN STEWART, partner and technology portfolio manager, The Capital Group
STEPHEN BRISLOW, chairman, Jani-King/Prater Ltd.



THE EXPERTS WEIGH IN

Up? Down? Our panel assesses economic and investment prospects for 2004

DESPITE SARS, and one dire and power blackouts, Canada's economy grew by about 1.6 percent in 2003. The Toronto Stock Exchange's blue-chip index rose 20 percent and 271,000 new jobs were created. But it was the loonie that elicited the most "news." Starting the year at US83 cents, it climbed to US87 cents, an increase of 21 percent. To gain some insight into how the economy and the markets will fare in 2004, Macleod's National Business Correspondent Katherine Macleod invited four prominent investment industry leaders for their perspectives.

IAN AINSWORTH

THE PORTFOLIO MANAGER
What's your outlook for 2004?

Looks like good year, although the stronger currency will cut into some growth and profitability. The U.S. could be facing the best growth it's had in many years.

What about Canadian markets?

The stock market usually runs ahead of the recovery of the economy, and we've had a good recovery in Canada. The valuations on the stock market are not out of whack given

where interest rates are, and earnings growth is going to be reasonably healthy. I wouldn't be surprised to see close to a 10 per cent gain on the TSX.

What's a smart investor to do?

I think it's time to shift some defensive, low-income yielding investments into the equity market as the expectation that we're going to have three or four years of reasonably healthy economic growth. But you've got to buy well diversified portfolios to take advantage of global trends.



'THE global economic rebound, strong corporate profits and surging productivity all bode well for the stock market'

You're known as a growth investor. What does that mean and how does it influence your investment choices?

A growth stock comes from a company that's looking at a dramatic top revenue (earnings and revenues, but not showing historical proof of its ability to generate good revenues and profits). A typical growth situation would be companies like Dell, which grows faster than competitors, or Wal-Mart.

How heavily weighted are you at tech?

It depends on the portfolio. Some are pure technology, others with a heavy growth focus are around 25 per cent.

What's your view of the mutual fund scandals, and what's your advice to investors?

We haven't yet seen the same problems, in terms of other issues trading, and the U.S. has experience, but Canada has had its own history of abuse in the financial services industry, not just in mutual funds. I think the mutual fund industry is reasonably well-regulated, especially when compared to the hedge fund industry. There are something like 6,000 hedge funds in the U.S., of which 2,000 may be able to avoid being certified and regulated.

SHERRY COOPER THE ECONOMIST

What's your outlook for the Canadian and U.S. economies in 2004?

I'm optimistic. Canada won't have a recession in 2003. This year we should see growth of three per cent or more, and Canada will benefit from the rebound in the U.S. and economic activity around the world.

How high will the loonie go?

I think we could see US82 cents this year.

Where do you see interest rates heading?

I expect the U.S. will tighten monetary policy, but probably not until the second half of the year. I expect long-term interest rates to both increase to rise, modestly so in Canada because our economy will not perform as well as in the United States.



Cooper: Canada will benefit from the rebound in the U.S.

What does that imply for the markets?

The global economic rebound, strong corporate profitability and surging productivity, especially in the U.S., all bode well for the stock market. So I expect we will see roughly 10 per cent total returns in stocks. I'm pessimistic about the bond market. I think stronger economic growth and a modest uptick in inflation likely means higher interest rates.

What risks do investors face?

Protectionism is always a risk during an election year in the United States. Another would be a collapse in the U.S. dollar. That would increase the value of the Canadian

dollar, euro and yen, and could result in our economic expansion.

Will mutual fund scandals hurt the markets?

Not as much as the corporate scandals seem to have. It's interesting that with the revelation of the mutual fund scandals, we have not seen a net outflow from mutual funds. But if there's a hint of scandal with a particular fund company, well, watch out—there could be significant outflows from that firm. And I think investors have become more sophisticated and are going to demand lower management fees. Canadian fees are higher than in the U.S.

DUNCAN STEWART THE TECH SPECIALIST

What's coming up in 2004?

We expect a positive year for technology. It may not translate into the 45 per cent gain we saw on the Nasdaq in 2003. Could be more, could be less. But the tech sector, which everybody thought was dead, turned out really to be not very well and is recovering quite nicely.

What about your funds?

My funds went up in 2003, not as much as the Nasdaq in U.S. dollars. In Canadian dollars they outperformed it.



Stewart: 'We expect big gains year for technology'



Is the Koolhaas-headed bank to its tech-been profit?

People said it'd earnings to 1,500 and it went to 5,000. Now that it's at 2,000, people say it'll never go back to 5,000. It may take a while, but it will happen. Over the long run, every high is higher than the previous high, and every low is higher than the previous low. The 45-per-cent gain last year isn't nearly as low as last year's low, and it's not nearly as high as last year's high.

What are your best stocks?

In technology, especially, individual names are riskier than the average tech stock, so you need to diversify. We like GCI (Lancaster), a manufacturer of devices used in the semiconductor sector. It's extremely profitable and trading at half the valuation of its American competitor. We believe NetScout has absolute dominance in its three or four areas of special interest, and will do well as telecom spending regains momentum. And CompuChem is a Native American technology company that's working on a compound used to treat type II diabetes, which is probably the world's biggest unmet health care market.

How much tech should people hold?

As a percentage of an equity portfolio, we believe between 10 per cent and 20 per cent of your money should be in the technology and health-care sectors.

STEPHEN JARGULOWSKY THE FINANCIAL CRISIS

You're not a big fan of most mutual funds.

The average annual returns of stocks in five to six per cent, on a inflation-adjusted basis, is 2.5 per cent goes to the manager, you're left with maybe 3.5 per cent, and you have to rebalance based on that. So how do you build capital with a 2.5 per cent real compound rate? I think mutual funds should be for richer than they are.

You've been in this business for 40 years. In the end of the average investor getting worse?



Stephen Jargulowsky: It's important to have a better view of the market.

No, it's getting better. Hopefully it will get a lot better yet, because all kinds of people are now waking up to the fact that the investors have no input on these issues, and that investors should have an input on the issues that affect them.

What's your opinion of Conrad Black not standing for re-election to the Canadian House? It's obvious. Why should he be in there?

What do you think of the controversy over the fact he has received from CarWest?

Why should his holding company get \$6 million a year for advice? I mean, that money should have gone to Hollinger [Intercontinental]. That was part of what CarWest paid for the Southern assets. That should not have gone to him, and, of course, the salaries and bonuses—everything—should never have gone to Hollinger. And there should have been a board in Hollinger of enough independent—of the executives of CarWest should never have even been paid by Hollinger.

You're not surprised to see this unfolding?

No. Three years ago I went to the Ontario Securities Commission and said, "There's a real problem here." I was a director of Southern and I was a director of the Daily Wagon. When Southern went private, at the end, I knew exactly what kind of a guy Conrad Black really was. But nobody listened. Nobody was interested. Nobody

What's your view of the economy, and where the stock market's going?

I don't know where the market's going. All I know is that the economy is badly mismanaged, and that the politicians are too fixated on getting elected, especially in the U.S. My view is that we're going to have a very good year for low interest rates, but that the consumer is way overextended and the U.S. government is way overextended on its deficit. Canada has been foolish to allow the dollar to go up 25 per cent in one year when one-third of our GDP goes to the States each year in trade. I mean, the dollar is main advertising were already going to China. Compared with the Americans, we have increased our subsidies by 25 per cent. How do you compete? I think the Bank of Canada has totally mismanaged this problem.

You're painting a bleak picture. What's your advice for investors?

Long term, they're better off with stocks. I buy the best-managed companies in 10 industries that are growing, with good quality companies on being around. Coca-Cola will be around. I don't know whether a particular high-tech stock will be around. Somebody might build a better switch. I stay with stable growth industries. And I diversify over a vast number of high-quality companies, in stable, non-cyclical industries, and I just live with those for years. Excellent management is the key.

MOST REVOLUTIONS START IN THE STREETS.
THIS ONE BEGAN ON A MUDDY TRAIL.



Photo: Steve Noveck/Photo



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THE FIVE-STAR FUNDS

FIVE-STAR QUALITY

Which are the best? Out of the thousands of mutual funds in Canada, the 100 funds listed below were judged best in their categories based on the Morningstar rating system. They were then ranked by their average annual compound return over three years. These are not necessarily the funds with the highest absolute returns. The five-star rating system used by Morningstar Canada factors in a fund's performance and risk-adjusted return in its fund category over three-, five- and 10-year periods. The scores for each period are weighted to arrive at an overall score, essentially a measure of quality. The top 10 per cent of funds within each category received the Morningstar five star rating. Morningstar's list of 100 ranks the best of these, listed in descending order. Dec. 31, 2009. Disclaimer: Funds with less than a three-year history, multiple issuances of the same fund, funds that don't report assets or don't deduct fees from returns, funds included in various groups and funds enjoying a \$1 million minimum investment.

FUND NAME	Fund type	Assets	1-Year Return	3-Year Return	5-Year Return	10-Year Return	RiskP. Explanatory	Ret. 12 months	World 12 months	Average 12 months	Management Expense Ratio
1. Fidelity Canada Equity	Equity equity	265.8	30.0	27.8	40.1	50.6	Yes	309.6	30.8	30.3	5.29
2. Northern Territory Equity	Equity equity	270.2	33.2	27.3	35.2	52.8	Yes	311.3	40.7	33.3	7.00
3. Fidelity Canada	Equity equity	120.6	26.4	30.2	30.3	29.8	Yes	305.3	33.2	29.6	3.31
4. Manulife	Equity equity	58.0	41.9	29.8	32.5	40.6	Yes	302.7	34.3	30.1	3.50
5. Thrivent Canada Investments	Equity equity	37.7	35.6	27.1	32.2	40.6	Yes	302.7	34.3	30.1	3.50
6. Investors Equity Advantage	Equity equity	35.6	25.8	26.7	33.8	32.8	Yes	300.8	33.8	31.8	3.46
7. AGF Investor Equity	Equity equity	44.1	32.7	30.4	33.6	47.9	Yes	300.0	40.6	35.2	3.80
8. Investors Equity Growth	Equity equity	176.9	40.7	26.1	34.7	48.7	Yes	300.7	33.9	32.9	1.78
9. Fidelity Mid-Cap U.S. Equity	Equity equity	57.9	37.8	30.6	32.8	40.6	Yes	300.8	44.7	30.3	3.47
10. Investors Mid-Cap U.S. Equity	Equity equity	35.1	33.8	30.8	30.8	30.8	Yes	313.4	30.4	31.2	3.20
11. AGF Global Bond	Bond equity	132.4	40.4	39.6	39.4	39.6	Foreign	314.4	30.4	31.4	3.50
12. Investors Global Bond	Bond equity	4.1	33.4	30.7	34.1	30.6	Yes	300.0	30.7	30.5	3.64
13. Fidelity Global Bond	Bond equity	31.2	30.3	30.1	33.2	30.6	Yes	318.4	30.3	31.1	3.60
14. Global U.S. Equity	Equity equity	100.4	30.4	30.8	33.8	30.6	Yes	318.4	31.1	31.1	3.60
15. Mid-Cap U.S. Equity	Equity equity	37.7	37.1	30.6	31.8	30.6	Yes	318.4	31.1	31.1	3.60
16. Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
17. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
18. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
19. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
20. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
21. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
22. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
23. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
24. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
25. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
26. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
27. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
28. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
29. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60
30. AGF Global U.S. Equity	Equity equity	30.6	31.8	31.8	31.8	30.6	Yes	318.4	31.1	31.1	3.60

FUND NAME	Fund type	Assets	1-Year Return	3-Year Return	5-Year Return	10-Year Return	RiskP. Explanatory	Ret. 12 months	World 12 months	Average 12 months	Management Expense Ratio
31. Investors U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
32. Investors U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
33. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
34. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
35. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
36. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
37. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
38. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
39. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
40. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
41. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
42. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
43. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
44. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
45. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
46. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
47. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
48. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
49. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
50. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
51. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
52. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
53. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
54. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
55. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
56. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
57. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
58. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
59. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60
60. AGF U.S. Canadian Small-Cap	Equity equity	40.8	28.8	30.3	32.8	40.6	Yes	317.1	30.1	31.6	3.60

Assets: amount in millions of dollars (excluding fund fees); Return: percentage return as of Dec. 31, 2009. For periods longer than one year, average annual compound return is shown. RiskP. (0-5) indicates whether fund can be held in a registered retirement savings plan (as per current

best performance year) percentage return in top 10-month period over the past 10 years (or since fund's inception). Management expense ratio: fee paid by investors of assets that goes to running fund. These fees have been deducted from returns shown. AGF not included. Not all funds available in all provinces.



SEX IS OUT, CARBS ARE IN

When beer ads start promoting diet, it's a sign of an eating revolution

THERE IS HOPE on the American obesity front (and behind). Not because of all those dieticians and scientists who've been telling Americans to stop eating at McDonald's and start eating healthy (well, bread) and sit (it). My optimistic outlook came from days of research in the foyer of watching the National Football League playoffs. That meant at tag through hours of advertising aimed at males, particularly those between the ages of 18 and 35, the demographics the NFL apparently delivers better than almost any other TV programming. The experience confirmed what I had been hearing and reading about a

dramatic change in the market for foods and beverages. To the horror of the nutrition establishment, the low carbohydrate diet, the Atkins Diet and its imitators, has suddenly become the regimen for those who want to replace flaccid flab with firm abs.

Milk and eggs are, of course, proteins and protein is good, and other foods and drinks had better be low carb. Carbs are evil, eating rampant, and it's not even about cholesterol or calorie counts, or about the global warming effects of bovine flatulence. (Yes, Jerome Rifkin and other leading environmentalists and savvy consumers also aim pike at Americans as giving up beef because of those emissions.)

When *Archie* (rich, three leading brewers (Anheuser-Busch, Miller and Coors) own

ing the flavoriest out. Really, America has an obesity problem. All studies show that it's correlated to income, but not because people don't have enough resources (food stamps make sure of that) to eat. The poster parents, the wince your eating habits and the finer you become. That reality doesn't change (poor) demands for high-carb diets. It's not "faster" crisis." Most eloquent in the trenches on this topic, is Senator John Edwards. Maybe he's misheard how John Kennedy (R-Senator) Harkin (D-Senator) in the White House was in 1960 by missing a government study that documented the plight of millions of Americans who went to bed hungry. In fact, the study said many were hungry because of overeating during

Recently, the World Health Organization

effectiveness of the Atkins Diet until it is as close as dead. Maybe it was that article, or maybe it was just word-of-mouth from millions of carnivorous mouths, that turned the tide. According to a study published last year by Morgan Stanley, 79 per cent of U.S. adults are either currently on a low carb diet or have read one earlier this year, which is three to five times higher than many previous public estimates.

It didn't take the brewers long to realize that a significant segment of the market was no longer satisfied with drinking "light" beer. It wasn't until low carb beers first to market that don't have Anheuser-Busch with Michael's Ultra. By mid-season, the other major ones were being specific about their carbs.

As a longtime foodie watcher, I can attest that never before have the big brewers promoted their beer on a dietary basis. Light beers always cited calories, but tonight's diet and showed men and women drinking together to suggest that men could drink beer with their diets. Low carb beer rather than white wine in long as they drink light. New light beers are being promoted on the basis of compliance with a long-ridiculed diet regimen.

The balance in the diet. Over all bread sales, particularly of white bread, are dropping. They're holding industry conferences about what to do. Vice versa varieties of reduced or low-

carb bread are struggling to retain some of their traditional place of breakfast, along with the back-to-back eggs. In Chicago super market, National Oven sells a special low-carb bread at an eye popping \$5.99 a loaf. When any wife asked a store manager about this seemingly outrageous price, he admitted it was high, but said, "We can't keep it on the shelves."

Wherever you are, Dr. Atkins, you can smile.

Donald Coxie is chairman of Atkins involvement Management in Chicago and of Terra Food Zone (www.terrafoods.com).

TO THE HORROR of the nutrition establishment, the Atkins Diet and its imitators have become the hot regimens for replacing flaccid flab with firm abs

has been involved in the "obesity crisis." It's famous that Bush won't join its campaign to denounce "bad foods," such as hamburgers. To these old-style nutritional claims, what's making Americans fit in the meat-and-the-bread. They have been fighting Dr. Atkins for a quarter century. When he died, restaurants about him in the New York Times from a public of establishment restaurants, ranged from barely polite to scathing.

It may be a coincidence, but the great news New England Journal of Medicine didn't publish as research showing the

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FOR CHRISTOPHER QUIGLEY, justice looked like a long shot. After weeks spent recovering from the facial cuts, bruised ribs and internal injuries he says he suffered during a savage beating by a group of police officers, he had little hope his alleged assailants would be prosecuted. They belonged, after all, to one of Toronto's elite drug squad units—the grunts of a city increasingly beset by the narcotics trade. Quigley, on the other hand, was facing charges of marijuana possession, which made him a perfect target for harassment if he complained, who would take the word of a drug suspect over that of the police? “I felt vulnerable and helpless,” recalls Quigley, 38, of his 1998 ordeal. “I didn’t think anyone would believe me.”

Today, he will gladly eat his words. Quigley’s story—frustrated by gruesome photos of his battered, swathed-up head—caused a long series of misconduct allegations against members of the drug squad that has shaken Toronto’s 170-year-old police service to its core. Last week, the Ontario Court of Appeal lifted a prohibition ban on some of the most explosive news stories, which had at least 12 officers in criminal charges from the “false-allegations” money to the fabrication of grounds for search warrants. Six have been charged with a total of 60 crimes.



UNDER THE GUN

Police misconduct charges are mounting, writes CHARLIE GILLIS

real officers—including poverty, theft and obstruction of justice—while four more have been named unindicted co-conspirators. Some of the officers charged are accused of defrauding a so-called “fink fund” by

Norfolk police face a videotape scandal after complaints by Quigley (center) and others

ON THE BEAT

50,494 Total number of police officers in Canada in 2000

\$31.6 Population per police officer in 2000 (population per officer in 1990: \$45.0)

5 Number of consecutive years the population per police officer has fallen

40.8 Number of Criminal Code incidents per officer in 2000

42.6 Number of such incidents per officer in 1999

40 Percentage by which a police officer's salary exceeds that of the average working Canadian

\$249 Amount, per Canadian, spent on policing in 2002

7 percentage points in police spending between 2001 and 2002

0.5 Number of working days lost per officer in 2000, due to suspension or discipline

SOURCE: STATISTICS CANADA; CANADIAN POLICE ASSOCIATION; POLICE NEXT CANADA



'THERE ARE MANY MORE WHO TURNED A BLIND EYE'

submitting claims for payments to police officers who didn't exist. Others are implicated in using search warrants to raid suspects' safety deposit boxes of tens of thousands of dollars.

The police department immediately defied accusations. "I can tell you that the allegations are isolated and confined," Chief Julian Fierman told a news conference. Yet even in his spoke, reporters were asking through recently unsealed affidavits sworn by RCMP chief superintendent John Nelly, head of the task force Fierman appointed to investigate the suspect officers. In one, Nelly cited "significant powers of the charmona non to request to other related police units." Later, he acknowledged he had run into a proverbial "blue wall of silence," meaning officers unwilling to admit wrongdoing against their peers. "In isolating the strongest cases, we have eliminated many more than those being presented for criminal prosecution," Nelly concluded in an affidavit filed last June. "While some of the behaviour in these other cases could be described as unprofessional or on the borderline of criminal behaviour,

The 1995-1996 standoff, Vancouver stars head for their day in court (below)

we do not believe we have sufficiently strong, measurable and probable grounds to warrant charges."

IT'S HARD to remember a time when Canada's police looked that bad. From the scandal in Toronto to the charges against Steinkamp officers who left Aboriginals to freeze in the snow, scarcely a week went by past without allegations of police misconduct somewhere in the country—or at least fresh details from old cases. Three days before Nelly announced his charges in Toronto, six members of the Vancouver force were sentenced



for spending three suspected drug dealers to Stanley Park, where the officers subjected each to a systematic beating. Provincial court Judge Herb Weir denied the officers' "mob" behaviour, partly dismissing any notion they might have acted in the heat of the moment. Their sentencing came three months after the Vancouver force announced an investigation into unrelated allegations that one of its officers had lied under oath, fabricated evidence and stolen items sent by police during investigations.

Urban forces aren't the only ones in the news. Last week, CBC News aired tapes of Ontario Provincial Police making racist remarks about Aboriginals during the 1995 standoff at Apperwein. Undercover officers could be heard on the tape cursing one of the Native protesters, and making about using beer as bait to trap Aboriginals. The day after the conversation was recorded, one of the protesters, Dudley George, was shot and killed.

So are the country's police forces in some kind of crisis? Are ethical breaches threatening a law enforcement system world-renowned for its fairness? Probably not, says Barry Lingham, an expert on policing issues who

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You can't see or taste the hepatitis virus in your drink. And that's just one of the many ways that over a million vacationing Canadians face hepatitis risk every year—even at the best tropical resorts. The World Health Organization (WHO) considers that all of Mexico and the Caribbean islands (including Cuba) are high-risk areas for acquiring hepatitis A. Hepatitis A and B are serious liver diseases that can sometimes be fatal. Once infected, you could easily spread the illness to others back home, even before you know you're sick.

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A MUCH DEEPER LEVEL OF ACCOUNTABILITY IS NEEDED

teachers at Carleton University in Ottawa. While recent misconduct cases highlight the potential corruptibility of police, he says, they don't amount to systemic rot. "There are probably more lawyers digging into their clients' trust funds than there are police digging into money paid to agents," Layman says. The police also still seem to enjoy the public's faith, according to recent studies. Most Canadians trust their local constable. In a R.C. poll conducted last fall, 89 per cent of respondents said their police were doing a good job.

As for the values of individual officers, police organizations make much of the steady improvement in the quality of their recruits. Almost all now enter the service with some form of post-secondary training, if not a degree, and most arrive with a finely tuned sense of morality, says Tony Cernatovic, president of the Canadian Professional Police Association. If they remain alert to the face of misconduct, he says, it's likely because they're not between their own ethics and their ingrained belief in police unity. "No officer wants to be out there working with a crooked colleague," he says.

In Saskatoon, officers have been charged with leaving Aboriginals to freeze in the snow.

"If we suddenly find ourselves in a dope, or engaging in fraud, you can be sure his colleagues won't accept him."

That sounds reassuring. But it's a hard line to swallow in light of the current case involving Quagley. For one, Quagley is a portrait of polished, coordinated misbehaviour on the part of his officers, with the ultimate aim of filling their own pockets. Arrived with a license at a school parking lot in April 1998, he was whisked to a third-floor interrogation room at 53 Devonian, the Toronto police's midtown station. There, a series of officers accused him of robbing marijuana dealers and demanded that he reveal the whereabouts of his grow operation. He denied having one, and instead gave the detectives directions to a small apartment of just he kept as a dog food container in his apartment.

The officers weren't satisfied. And thus, alleges Quagley, began an assault that lasted "merry, merry hours" punches to the face and stomach, officers slapping his head against the wall and to the arm with the end

of a pen—all to locate marijuana he tried in vain to convince the officers didn't exist. "It was a devastating experience," he says. "And it went on for an awfully long time." Eventually Quagley passed out, waking up only as someone ordered an ambulance. "An ambulance was taken to Toronto's Sunnybrook hospital, the officers were mounting a search warrant on his mother's home, where they abducted the key to a safety deposit box registered under her name. In a civil suit filed in October 2002, Quagley alleges that the box contained roughly \$14,000 belonging to him. Of that amount, he says, the police returned less than \$25,000, and have never accounted for the balance. In an assessment of the force, the in officer named in Quagley's suit has declined commenting on or about. Four of these officers now face criminal charges.

TO FIND the man who set off the Toronto police scandal, you drive through some of the city's most drug-ridden neighbourhoods—ones and streets dotted with soup kitchens, shelters and paper burning corners by-ways of illegal delivery of their product. Here, in a grimy looking loft complex near a run-

down public housing project, Edward Sapienza paces the floor with a glass of molotov in his hand. He dares not to be a wanderer, yet plays the part rather convincingly. "We lawyers, we're not naive," he says in a voice loud enough for anyone listening. "We know we're dealing with criminals. But criminals can tell the truth, too. I've had serious, serious drug dealers—people who know better than to lie to me—telling me this was going on."

What was going on, says the 43-year-old Sapienza, was well-practiced theft based on the most simple strategy: search the home of a suspect, find his cash box, take his money. The games, he says, was in the shoes of victims. "Who, after all, would get stuck in the word of a drug suspect? So after hearing complaints from his claim time and again, Sapienza drafted a letter to the firm's external affairs bureau in April 1999, and had it signed by nine other defence lawyers, including renowned civil litigator Clayton Ruby. In it, Sapienza named six members of the Central Field Command drug squad, led by Staff Sgt. John McNeill, whom he charged were engaging in theft. The department, which had already been unsuccessfully investigated by Sapienza's squad, was pleased to oblige. In 1999, it initiated an investigation that eventually gave way to the McNeill task force. Four years and two investigations later, Sapienza's campaign finally produced criminal charges.

But even now he isn't cheering. "In my view, there are many more than the 10 officers involved, who undoubtedly who perpetrated *generally* these offences," he says. Sapienza is milking through court documents his glass-covered coffee table. "There are many more who should be called to task," he says. Along with another couple alleging similar misconduct, he has written to Ontario Premier Dalton McGuinty demanding a public inquiry. The civil justice quagmire, he argues, at the wrong place because of public trust. "A much deeper, broader level of accountability is needed," he says. So far, McGuinty has not acted on his request.

In any case, a public inquiry would be hard pressed to remedy the social phenomena at the root of the current misconduct. Police, like everyone else, are reacting to the myriad changes altering the face of Canada, from immigration to the movement of wealth across international borders. With those developments has come



Sapienza says lawyers know they're dealing with criminals, but they can tell the truth.

rapid growth in the international drug trade—which poses a direct threat to police integrity. "If you take an officer who's making \$100,000 a year with overtime, and offer him another \$100,000, that's a life-changing event," says Ronald Stansfield, coordinator of the justice studies program at Ontario's University of Guelph, and a former Peel Regional Police officer. "If he is corruptible, that may well be the act that will do it." The act in the low-level graft that affects police forces everywhere—first meals, first coffee,

"police discount"—and you have an environment that can lead to more serious transgressions, Stansfield contends.

That leaves the public almost squarely in the hands of individual officers. But it's not all police administrators are helpless. Willy Ogilvy, a sitting justice on the R.C. Court of Appeal, believes law enforcement agencies would be well advised to adopt more stringent ethical rules during recruiting and training (some departments refuse) and the U.S. aggressively encourages agencies to try to tempt new officers. And police departments must be a lot quicker to address problems when they arise, he says. "Corruption really lives off police, and will go to great lengths to countermeasure what the police have done," says Ogilvy, who headed R.C.'s public inquiry into policing in the mid 1990s. "They'll figure something out and transgressions—as long as there's an explanation and apology that comes with it."

That may be small comfort to those who fear police misconduct is spreading. But at least gives agencies the time to address the current allegations, with a view to ensuring misconduct never recurs. The one requirement of reform should be obvious: a few more cops like Christopher Quagley's, and somebody else will undoubtedly do the changing for them. **E**

TO SERVE AND PROTECT WHOSE INTERESTS?

Protections of corrupt cops? Or defenders of basic constitutional rights?

Ontario's increasingly whetted police unions are facing the heat as misconduct allegations fly—and not just because they're representing the long-gestating officers. Critics point to the findings of inquiries in the U.S. identifying unions as contributing, if not causal, factors in police corruption. New York's 1996 Miller Commission concluded that the city's powerful police association had stonewalled its order by advising members not to co-operate. The union, commissioner Milton Miller said in his report, "acts as a shelter and absorber of the corrupt cop, neither then is a guardian of the interests of the vast majority of its membership."

Last week, similar claims arose against the 1,000-member Toronto Police Association, after the head of a task force investigat-

ing corruption on its force complained that unacceptable officers hampered his probe. But Glen Cleary, the association's lawyer, argues the union can't be blamed for encouraging officers to exercise their constitutional rights to silence. "We've been saying it that a police officer has the same rights as any citizen as a baker or a nurse or a teacher," he says.

The union's reputation for aggressive (some call it intimidation) tactics helped few at the Ontario Justice system forgive the association's past digging up members of the late 1980s, when it sought damaging personal information to use against senior officers, and attacks on civilian critics such as Judy Siga, now the federal minister of citizenship and immigration. For the association's political enemies, the time to pause has never been better. **C.E.**



Photo Essay | BY PETER BRIGGS

THE GIFT OF SIGHT

Doctors travel the globe to improve eye care in the developing world

THE EYE DOCTOR will see you now—in a DC-10. Under the auspices of Orbis International, a New York City-based non-profit organization dedicated to improving eye care in developing countries, this specially outfitted airplane undertakes up to 10 missions a year, flying in teams of mostly volunteer eye specialists to provide training, education and care. Orbis's DC-10 is in effect a mobile teaching eye hospital, complete with such facilities as an operating theater, classroom, audio visual room and recovery room.

Orbis also runs on the ground programs, and recently started doing cyber ophthalmology. Since 1982, its volunteers have treated more than 24,000 patients around the world, and have helped train more than 63,000 medical professionals in 82 countries. About seven per cent of the people who donate their time and skills are Canadian. Last September, Maclean's Chief Photographer Peter Briggs accompanied a team of Canadian specialists to Tanzania, where he shot these pictures. On Feb. 15, *Into the Light*, a documentary about Orbis produced by Toronto-based White Pine Pictures, will air on the Discovery Health Channel.

Close-up from top left: awaiting treatment in Dar es Salaam, Tanzania's capital; Orbis's DC-10, the post-op room; a patient about to undergo a cataract transplant; Dr. Harjinder Dhillon of Vancouver conducts an examination



EPITAPH FOR A HEAVYWEIGHT

Conrad Black's downfall started when he took being a lord too seriously

WHAT IS there left to say about that arrogant, self-proclaimed laissez-faire high flyer Conrad Black, whose dreams crushed to earth last week as he lost control of his media empire and friends turned facing-angled regulators and disillusioned directors? Even if his far-fake-of-Holinger saga goes through, he will spend the rest of his life as a recluse from his media empire, his name permanently tarnished, his future unconcerned by his past.

His varied reputation as the corporate statesman, helping such high-voltage institutions as Hollinger, Concession and Timberland/Canadian Airlines, will be a distant memory. He may now have climbed over for his next venture, writing *A Life in Debt*, the sequel to his 1993 autobiographical memoir *Fortress*, *Conrad Black: A Life in Progress*.

Unlike his hero, Napoleon Bonaparte, who spent his diary entries on his far-flung islands, Black will tell the tale of his career of internal exile, thwarted by his own financial misadventures and by the very capitalists whose rule model he resigned himself to be. Capitalism is a far going, if selfish creed. It plans to ruin on the making of money or how to spend it. But Black seems to have challenged the cardinal rule of capitalism of its own interest: no business income is your own. At least that has been the constant accusation against him, and instead of repudiating to those allegations, he simply denies them. Given the chance to answer his accusers when facing the U.S. Securities and Exchange Commission, Black took the 95th. As he learned, he learned not a word because anything he might say could be used to incriminate him. Not a great tactic if you have nothing to hide. And Black? The current boss in London,

as might be expected, is rife with speculation about who Conrad's successor and Barbara Aron's fifth husband will be. That's hardly fair, since they are a loving couple, and she has enough Harrods Britain bags stacked up to last well into the new millennium. At the time she married Black, I remember being happy for her that she had made such a great intellectual match, but instead the partnership turned out to be a race to outspend the Donald Trumps of this world, who've not worthy of either of them. Their flamboyance has reached an unmanageable scale, with their quarter of personally stuffed luxury homes worth an estimated \$90 million in 2000.



BASIC BLACK

Events and dates that led to Conrad Black losing control of his media empire

During the last years it took me to write *The Final Mosaic* Alan (1982), the first biography of Black, I was hypnotized (maybe mesmerized is a more apt description) by Conrad's wit and erudition, his encyclopedic brain and philosophical acumen. I had never seen a businessman who knew who John Stuart Mill was, much less knew his Aristotle. I realize then that he wasn't smart enough to act in his own self-interest. That's the inevitable conclusion from following his combative pronouncements and self-destructive actions since his glid world began to fall apart last year. He has become more of a Dan Quayle than a Napoleon Bonaparte in his elaborate stand that he is right, and that everyone else, including his own boards of directors and his minority shareholders, is wrong. He must raise his voice because most of his hand-picked directors who have exercised his position of insider dealings have come away holding their noses.

Since he wouldn't resign his chairmanship

March 10, 2000

Hollinger Inc. issues \$500 million in debt at 11.475 per cent, paying most of its Hollinger International Inc. stock (at controls 73 per cent of voting shares) and 10.3 per cent of equity at collateral.

April 18, Hollinger Inc. says it's "uncertain" if it can elect "future boards"



Hollinger Inc., Toronto

refugees. It is then releasing 100 million shares, and reveals that Revolution Corp. (a) has been propping up Hollinger Inc. financially (Black owns 66 per cent of Revolution), provide

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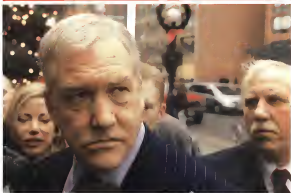


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Peter C. Newman | >



of Hallinger's lieutenant, he was apparently unceremoniously fired over the telephone by his one-time director pals. They also filed a lawsuit for US\$200 million, claiming that Black and, among others, his long-time associate, David Radler, had taken the money "through various improper means." Black even went against his previous promise that he would repay his share of the US\$322 million to any complete payments that he first acknowledged, then denied, having pocketed without approval. That's right,

nothing matters to Black except to establish his divine right to be right—and everybody else to be wrong.

Next, because Radler, who knows all of Hallinger's secrets, promptly began paying his share of the refund. Not Black. Nothing matters to him except to establish his divine right to be right, and everybody else to be wrong. His culpability in what appears to be a gross misappropriation of corporate funds remains to be proven. The

fact that the Hallinger parent company's audited statement, packed with personal friends, resigned in November, denouncing his departure as CEO, is a matter of record. Their departure has had no effect. He walks alone.

Ever since Black's descent into a hell of his own making, I have been struggling with the question "Why? What's it all about, Conrad?" The only answer I've come up with is based on the fact that the arc of his downfall roughly coincides with his appointment

holding company, which at turn work 33 per cent of Hallinger Inc.)

May 19 Investment firm Twenty Growth Co. L.P., one of Hallinger International's largest minority shareholders, files its concerns about management with the U.S. Securities and Exchange Commission. Among



Radler resigns, too. These asset sales from the company to Horizon Publications Inc., controlled by David Radler, Hallinger International's president, who also owns

54.2 per cent of Kiewit Inc., "services agreements" in which Hallinger International paid US\$200 million to Kiewit Inc. from 1975 to 2002, cost US\$17 million in "non-corporate payments" made directly to Black, other officers and in one instance to Radler's directly, instead of the company.

May 26 Standard & Poor's Rating Services downgrades Hallinger Inc.'s credit rating to "selective default" because Hallinger won't redeem its irrevocable preferred shares. June 27 Hallinger International sets up special committee to investigate Twenty Growth's allegations. June 29-30 Hallinger Inc.'s annual meeting

Black calls the controlling over corporate governance a "catastrophe." Aug. 15, it is revealed that Hallinger International paid US\$44 million for papers relating to Florida Delano Roosevelt—the subject of Black's latest book. Nov. 17 Hallinger International announces the resignation of Black as CEO.

and Radler as president, and says it is investing along US\$32 million in unaffiliated non-corporate payments made to Black, Radler and others following the sale of a number of U.S. community newspapers. Black and Radler each agree to repay US\$12 million. Company also announces all



ATTITUDE AND ALTITUDE AT UTAH'S SUNDANCE

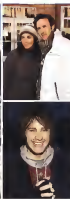
Robert Redford's indie festival manufactures buzz with low-budget surprises

AFTER CUTTING through the backdoor of a ski condo, climbing over frozen snowdrifts and crossing a four-lane highway to line up in a makeshift theater in a high school basement for a documentary by a man who spent a month eating only at McDonald's, it occurred to me that this was no ordinary film festival. It was my first visit to Sundance. For years I'd been a regular at festivals in Cannes and Toronto. To get to a movie in Cannes, you stroll along a promenade past togue sunbathers on the beach. In Toronto, you take the subway to a multiplex. This was another story. Veterans of the Sundance Film Festival had

warned me that it was overcrowded, tough to negotiate, dysfunctional. Now I know why they keep coming back: to be surprised by good, low-budget movies that seem to come out of the blue. And among this year's crop was the strongest Canadian presence in Sundance history—31 features and 12 shorts.

On the world festival circuit, Cannes is queen. Measured by scope, size and impact, Toronto comes second as its primary rival. But Sundance, which Robert Redford created in the Utah ski town of Park City 20 years ago, rules third. It's the scrappy proving ground on the frontier of American indie

cinema, where everyone is looking for the next Quentin Tarantino or Steven Soderbergh. Of the 137 features at this year's festival, only 15 arrived with distribution. "Sundance is never going to be as comprehensive as Toronto," admits its director, Geoffrey Gilman. "But we're a festival of discovery." *Amadeus* and *Gladiator* are ex-hallmarks. *Unlila Canaan*, a black-documentary staged at an inn level, Sundance takes place at a giddy elevation of almost 7,000 feet in an atmosphere of concerted informality. There are no red carpets. Gates are the height of glamour, and amid the glitz of musician chat that the stars or, less so, contesters gauche



Redford, Cox and Redford David Arquette (top), *The Motorcycle Diaries*; Gretchen Mol

Silent Love, struck a chord with audiences. These fresh feature debuts are both about triangles involving an unrepentant mother. And both are head with homages to old movies. In the ongoing quest to connect a Canadian romantic comedy, *Touch of Pink* resembles a cross between *101 Dalmatians* and *Monty Python*, but a better than both.

Written and directed by Tim Austin, best seen in *1917*, Redford, who divides his life between London and Toronto, it's the story of Alex (Jim Murray), an Israeli Canadian in London who tries to keep his gay relationship on the closet while his overbearing mother from upturn Toronto. An integral touch is a drill sergeant by Kyle MacLachlan, who plays Alex's imaginary friend—the dapper ghost of Cary Grant.

Opening night, Redford assures onstage, acting oblivious to the strobbing blue of cameras. Skipping off a flower jacket, the curiously boyish golden boy tells the audience that after two decades he doesn't need to give another speech about the festival, then proceeds to do just that. He talks about the people of creating it, how people said to one would come. Now they come in droves, a converging horde of agents, buyers, distributors, sponsors and media. Redford's well come, says Redford, but he tells the film makers, "It's your festival, to enjoy it."

If the sounds decrease, perhaps it's because he's the target of a hate job. *Redford's* recent book, *Down and Dirty Pictures: Movies, Sundance, and the Rise of Independent Film*. Calling Sundance and Montreal "the two jewels of the indie world," Redford calls Redford as a dithering Olympian, a quiet-aggressive control freak who, "with his 'holocaust' gaze the people he worked with the feeling that they were standing on sand." But Redford's scintilla book gives short shrift to the accomplished work of the Sundance festival. Toward the festival's end, a shade reduced to a pool-

ing American film. *The Aviator Edition*—he deserves credit for widening his horizons with documentary and foreign fare. And if this year is any indication, his talk of "discovery" is more than an idle mantra.

The Canadian thing alone was wildly eclectic. It included *The Corporation*, an acerbic documentary that diagnoses the institution of capitalism as a psychopath; *Seven Themselves*, a caper movie that plays a doctored better than David Mamet, *The Saddest Music in the World*, a surreal farsce.

SUNDANCE is "a festival of discovery," the scrappy proving ground on the frontier of American indie cinema

ty about a glass-legged bear. *Amadeus* (in which Redford) is in *Amadeus* are *Wings*, and *Raspberry Ruck*, a camp, mock-Comedian portrait of hard-core porn.

Meanwhile, two Canadian marvels of midlife romance, *Touch of Pink* and *A*

A Most Love is less flamboyant, but no less compelling. *A Most Love* (this professor [Noel Burton]) finds a Mexican girl under the bed on the Internet, then falls for her mother after he moves there to Montreal. More subtle than it sounds, this bilingual love story comes from Argentine-born director Federico D'Alidori. Subverting cliché, he brings a warm, unexplored relation to a neglected intersection of age, gender and culture. And you have to love a movie in which a Mexican played by the enigmatic Vaneza Piracha (Amor Perro), uses a coffee-table book on Canada as an offensive weapon.

Latin America provided some of the festival's most powerful movies—usually films full of class, a Spanish language HBO drama about young drug dealers. This first feature from American director Joshua Martinez stars novice Colombian actress Carolina Herrera in a breathtaking performance. She plays a pregnant 17-year-old who takes a job dragging barrels of raw ore to work as a drug mule, flying to New York with a payload of heroin in her belly.

The *Motorcycle Diaries* offered a more uplifting Latin American odyssey. Adapted

from the journals of *Amores* (Che) Guzman, it stars Massimo Bartolini (Yr musical number) as the young Che, an anarchist medical student who takes a nine-month motorcycle jaunt through South America with a friend in 1952. Enthusiastically directed by Brazil's Walter Salles (*Central Station*), this contrapuntal buddy movie explores a hidden continuum and a hidden character—an embryonic revolutionary discovering a landscape of equities.

Throughout the festival, I kept bumping myoglobin off bygone revolutions. After *The Motorcycle Diaries*, I walked into a mid-1980s screening of *Raspberry Arch* to see a neo-fellingspiel pot in front of a wall-sized poster of Che. This German-made porno union, by Canadian bad boy Bruce LaBruce, mixes ter rorists, hard-core sex, and a Gaudian homage of degenas such as "The revolution is my boyfriend" and "Death is the fascist insect."

The latter was sealed by the guerrilla sex that badnaped Patricia Hartz in 1974—and it popped up again as a fascinating documentary called *Newland: The Plea and Fall of the Syndicate Liberation Army*.

On a more nostalgic note, Bernardo Bertolucci created *The Dreamers*, a volubly loud-brother romance set against the backdrop of May '68 in Paris. It's about an American student (Michael Pitt) who's seduced by an eccentric brother and sister in a lower-class apartment while their parents are away. This coming-of-age allegory is Bertolucci's first foray in Paris. It's an erotic, and explicit, tale of a Franco-American teenage trio, young film lovers who barely sexual looks like while the movie remembers to the street below.

By contrast, one of passage movies from the current gay-movie season is *Amores*. The most sexually heated movie at Sundance was *Napoleon Dynamite*, which is a parody of the *Napoli* comedy about a teenage geek in Idaho. At the premiere, screening fans groined at 29-year-old director, Jared Hess, like a madman. But among the American films of alienated youth, I preferred *Garden State*,

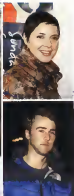


Touch of Phil's: Michael Pitt and Edward Norton, *Newland* (left), *Amores* (right)

a quirky romance starring writer-director Zach Braff (Scrubs) as a depressed actor who comes home for his mother's funeral and finds a romance in Norfolk, Virginia.

The bulk of American dramas at Sundance were eerily dark and minor. The first generation of post-9/11 movies is marked by a growing sense of panic. If this is the cutting edge, it's the edge of the abyss. In *The Clearing*, a haunted Wilson Davis (Josh Hartnett) is a grimy businessman (Robert Redford) and drags him into the woods. In November, Courtney Cox's a pulpy photographer assemblage the random murder of a boy named boyfriend. In *The Woodsman*, Kevin Bacon plays a sympathetic child molester. And in *The Machinist*, Christian Bale—who looks like someone who can't sleep—looks like a man who can't sleep. It's a thriller about a man who looks like a man who can't sleep.

In the pond of film department, *Merger* (Spaulding) was the other director to make *Super Star* My, a terrible documentary in which he sees three men in McDonald's,



and nothing else, for 30 days. He balloons from 185 to 230 pounds while his doctor warns him that his liver has become dangerously packed in fat. The documentary at Sundance were often more inspiring than the drama. They ranged from *Fair Game*, a wonderful portrait of a philosopher-chief in a Greenwich Village diner, to *CSA: The Confederate States of America*, a film that's a documentary about the American South. It's a film that's a documentary about the American South. It's a film that's a documentary about the American South.

In the end, my new cinematic romance emerged from the fray that I'll never forget. *Tamara*, a black-and-white movie of a young woman (Jennifer Lopez) and a young man (Josh Hartnett) who are both in the same way. It's a film that's a documentary about the American South. It's a film that's a documentary about the American South.

INDIE'S SUN KING

The Hollywood star talks about his commitment to independent films

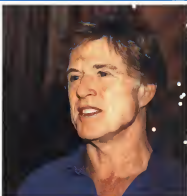
HE'S BEST known as the star of movies such as *All the President's Men*, *The Way We Were*, *Butch Cassidy and the Sundance Kid*, and *Out of Africa*. But Robert Redford, 66, is also founder and president of Utah's Sundance Institute, an incubator for independent movies that runs workshops, labs, and the Sundance Film Festival. Last week the festival premiered *The Clearing*, in which he plays a leprosy writer. Redford talked to *MovieLine* senior writer Brian D. Johnson

Did you know anyone who identified closely with both Hollywood and independent film as you are?

I know, I'm like a walking contradiction. It's a hell of an experience—and it's not right—just *The Clearing* is the first time I've engaged in the film. I've been supporting for 23 years. That's not quite true. I've made independent films for a long time—*Downfall*, *Amores*, *The Clearing*, *Amores*, *Amores*, *Amores*. *Amores* People. These were all low-budget, independent films made within the studio system. One studio or another would give me the independence to make the film. I want to make.

How do you feel about an industry that's now dominated by blockbusters and by a compulsion to cater to a young audience?

Don't like? Not particularly. I don't believe that film should only be one thing. Hollywood being a business, you can't beat them for just being what they are. They're going to follow the money wherever it comes from. That year it looks like the blockbusters may have backed up on the market for the first



time. If that's the case, Hollywood will, as Freud said, look in the other corner.

Tell me about *The Clearing*.

It's a psychological thriller by a first-time director. It had all the elements that I've seen in terms of supporting these films. I play a writer, which is interesting for me as an actor. There's a myth that I've only played these characters in the past. You get labeled and certain people won't hire you. But now I am involved in playing these diverse things that I might not have been allowed to earlier, either by the audience or the studio.

What new films do you have coming up?

There's *Amores*, B.C. It's going to be a comedy. I'll be in it with Jennifer Lopez, and I'll be in it with Jennifer Lopez. It's a comedy. I'll be in it with Jennifer Lopez, and I'll be in it with Jennifer Lopez. It's a comedy. I'll be in it with Jennifer Lopez, and I'll be in it with Jennifer Lopez.

You've directed six features. Clint Eastwood, another actor/director of your generation, has directed 24. Are you just funny?

Funny is probably a good word. *Amores* might be more dignified. I don't want to seem like an imposter. I'm not even a comedian, but a lot of the time that would just as some behind-the-scenes work has been given over to *Amores*.

Do you worry about Sundance getting too big for its own good?

When you become successful you become a target. People want to find something wrong with it, whether it's too many cell phones in the street or people all wearing black. The fact is we're making the festival exactly the way we did 30 years ago.

What advice do you give young directors? Spend a little time in the streets. Don't be quick to go from school to production.

The same thing I tell young journalists. That's a whole other subject. For me to have made *All the President's Men* in celebration of journalism's role in protecting the First Amendment, I'm left with a very odd feeling about what happened in the industry in the 27 years since that film.



ON BEING PAUL MARTIN

The Prime Minister has my name—and I'd really like him to give it back

THE DAY I WAS BORN my grandfather sewed a black band around his shirt sleeve and collapsed into a three-day depression. OK, it wasn't that bad, but for my blue-blooded, Old-Fashioned-loving, Tory grandpa, smothering the name Paul to the surname Martin would be like Charles Clinton naming his daughter Barbara Bush. How is that someone had to scowl to him and changed my name to Gerald or Leonard, even Dudley, instead. Of course, there are thirty other sons in this country who share the same moniker. In the Toronto phone book alone there are at least nine. Thus there are all these anonymous

P. Martin—perhaps these have learned something I am not finding out.

You can't imagine the amount of grief I have on-line. Everyone I pull out a card to, bank, library or business card, some really very individual replies the connection and five likes with.

For years, I was the finance minister guy. "So, you got some money for me, Mr. Martin?" Or, "I can't wait to see your lip there, Mr. Finance Minister!" And on and on.

This came as the leading campaign and causing some real pain for Liberal power. The same game, got even more intense. "Well, Mr. Martin, when are you going to kick out this racist Cheven?"

"Hey, Paul Martin, oh! PM for PM? Huh, huh?"

Now that I'm in office, my day is again scaled. "Well, the prime minister is here! Well, look at this, the prime minister is buying my coffee from us!"

The strange thing is all this is that people think they are really funny. What's more, they think they are the first ones to have made the connection.

In townships I am used to this. Standing six feet eight, I have become accustomed to tall strangers talking to me about personal reasons. "What's your weight or like up there?" "Do you have your head a lot?" "Do you play basketball?" Of course, there is an assortment of ways to handle this, such as "You're so small—do you pose for magazines?" Or, "How long have you been reading wrestling?"

But when it comes to the name thing, I just don't know what to do. I mean, what if your

name was Bill Clinton? What sort of risks is this other Paul Martin going to pull that I am going to have to suffer for? What kind of risks is going to be attached to my name? I was so disoriented by all this that I even thought about changing my name to Ben Mulroney—small Canadian had appeared on TV.

For a while I tried to make the best of it. For my annual garage sale last year I put a big sign up at the end of my street that said, "Come and Meet Paul Martin, Minister." That was legal, right? I am a person of which the media is so used to. I don't want to be a politician, though. We only had three weeks

surviving by selling branded merchandise. On Knap/Oldham you could, for example, order your own Canada Reopening Lines model t-shirt (Disclaim: the real King of the Seas has no association with this toy).

I know, of course, that this will never happen. Instead, I'll go on having dense self and someone such as "With, right" every time I call someone my name over the phone. Some from nurses asking for their doctor when I try to visit patients in hospital. And I will continue to smile and nod as family members write tribute songs that include lyrics such as, "We always knew he wanted to minister to his nation but we didn't know he missed a minister of the prime persuasion."

I happen my only hope for a quiet, noisy night life for some new face to come out of the crowd and defeat the Liberals in the federal election expected this spring. I can't imagine that the other Paul Martin would seek around to lead an opposition, so I might be freed from this difficulty sooner.

Then again, perhaps the best solution would be for me, the old Paul Martin, to stand for prime minister. What a title free world be—most confusion in the polls and not a hanging dead is a high of course, a confused person would never stand for this presidency and likely label me "Dubby" in reference to my middle initial. I might as well show up at a news conference as I get to.

So, unless the political fate of the other Paul Martin dramatically changes in the next few months, I am resigned to an ever-growing onslaught of stupid jokes and media rumors. In the meantime, I will take joy in the fact that my son will never have a similar fate. After all, how many William Robert Whitefield Martins are there in the world, let alone in the Sea? With such could even captain on the

Paul Martin's secretary writes his first name as Gerald. The comment: www.paulmartin.ca



CLOSING NOTES



Sports | Who's the real Lakers all-star?

After McKechnie is considered a miracle worker by many pro athletes. Los Angeles Lakers all-star center Shaquille O'Neal goes one step further, creating the Cognition, & C, insurance with saving his career. As a result, the Lakers made the physical therapist one of the team's biggest off-season acquisitions last summer—fixing his movement and performance—much offers a year part time on his schedule with the club. McKechnie's unique program, which is an elaborate series of elastic bands, is so effective in rehabilitating players that it's been incorporated into the Lakers' regular training routine. "The program is very specific to the individual, the sport and even the player's position," says McKechnie, 52, with a thick Scottish accent—the product of a Glasgow upbringing. "It's about maintaining a good neutral position and then reproducing the same dynamic movements regularly achieved during a game."

Over the years, McKechnie has worked

Shaq feels the pain from the rubber-band methods of R.C. physiotherapist McKechnie



with the Vancouver Canucks and Canada's national soccer team, and has helped numerous other pros—including Dallas Mavericks guard Steve Nash, Chicago Cubs first baseman Eric Karros and Colorado Avalanche forward Paul Kariya—bounce back from injury. His history with O'Neal dates back to 1996, when the superstar suffered an abdominal wall tear. Facing surgery that would likely end his career, he opted to work with McKechnie and was back in the lineup after missing just 23 games.

But do big-name athletes ever balk at trying such unorthodox methods? "Never," says McKechnie, who also designed Borelli's Core Board—a piece of exercise equipment, available to the public, which forces the body's core muscles to maintain balance. "When players' careers are on the bubble, they'll do anything to get back out there." They'll even take to a rubber-bandman for the stretch. **JOHN BROWN**



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People | Beauty and the barre

Nieve Campbell is barely five minutes late, but she apologizes sincerely. "I was driving around looking for parking," she explains. "For some reason, I missed a Lincoln Town Car and it's massive. I couldn't fit it any where." The 30-year-old screen has arrived without an entourage and comes across in a super friendly, down-to-earth, Guelph, Ont., girl. But she's also all business, deftly steering the conversation away from her personal life, and focusing on the subject at hand—her smash hit/dark about, Bobbie Afsman directed ballet movie, *The Company*.

An intimidated Campbell joined the Jeffrey Ballet in *The Company*.



The former National Ballet School student produced and stars in the labour of love—according to the bare after a nine-year break. *The Company* is heavy on ballet, light on plot. Yet, it's unassuming and documentary like in its portrayal of the grueling life of professional dancers. Campbell and writer Barbara Turner (Pahook) spent two years interviewing members of Chicago's Jeffrey Ballet and then cast them in the film. They weren't expected to act as well as Campbell, but she was expected to dance like them. "It was extraordinary," she says about joining the company, "but I did what my dancer would if you got into a ballet class now: you wait for every one to pick their spot at the barre and then you go last. I just wanted them to know I didn't come out of the womb like this." The movie may be Campbell's *Swan Lake*, but it's no fancy project. **SHARON BEEBE**



John Intini starts a sentence ... Ian Hanomansing finishes it

Canada Now anchor Ian Hanomansing landed his first broadcasting job—a gig on CBC's radio in Amherst, N.B.—when he was just 17. Although the Trinidad-born, Rockville, N.B.-raised Hanomansing earned a law degree, he stayed committed to his on-air. (His wife, Nancy, is the lawyer in the family.) Over the years, Hanomansing has declined offers from big U.S. networks (including CNN and CBS), opting to stay at the CBC. The Vancouver-based 42-year-old was correctly finished Maclean's Research Reporter John Intini's sentences.

diary story I've covered. We arrived when things were still very much on fire. We had police pointing guns at us and even a rioter, at one point, throwing a brick at our car. BEING KISSED ON STAGE BY WENDY CREWSON AT THE CHIAWI AWARDS WAS... fraught with professional danger, but in the end was a lot of fun.

THE PERSON I'D MOST LIKE TO INTERVIEW IS... Muhammad Ali. My dad and I followed his career very closely, and I'd love for us to spend a day with Ali talking him about his life on and out of the ring.

ESSENTIAL HANOMANSING

1. **Three-time national debating champion while in university.**
2. **Studied political science and sociology at Mount Allison and law at Dalhousie.**
3. **Covered the 1988 San Francisco earthquake, the Boston Woburn 'Eliot 8' and Winter Olympic Games.**

MY FAVOURITE FICTIONAL CHARACTER IS... at the risk of embarrassing people living with, Capt. Frank Furber from *Red Street Fighter*. I loved that show, and he was such a great character—so manly I've got South Central Los Angeles in 1910... was the most exterior

... Muhammad Ali. My dad and I followed his career very closely, and I'd love for us to spend a day with Ali talking him about his life on and out of the ring. I GOT NERVOUS... as a youngster playing the piano. PEOPLE FORGET TO... acknowledge and answer what's asked and are often too quick to criticize what doesn't... cooking... respectability and was... usually in our something I do.

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Books | New Scotland

The modern multicultural and bilingual nature of Canada's two historic and New Scottish nations was at its founding. From curling and golf to the Fiddlers of Confederation, Scottish culture and Scrimmage dominated. Multiculturalism's David Boddie (Newfoundland Association) may go a bit overboard in its subtitle—how the Scots' Gaelic/Gaelic—but watchy much. For decades Scots ruled the far trade and their used its profits to create railways, banks and universities. Canada's first two prime ministers were Scots, as were a quarter of all MPs before the Second World War. The man who financed the Canadian Pacific Railway, the steel-roller that would build the new Dominion together, were all Scots by birth. And although Boddie admits that some Englishmen owned some money, he is a generous donor to McGill University. Its main benefactors were from Scotland: James McGill (the bank), Peter Redpath (bank), William Macdonald (bank) and Donald Smith (banker).



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WHAT MATTERS TO MARTIN

So far, everything—and nothing. Now it's time to get proper answers.

SO IT PAUL Sits to Adrienne Clarkson to reveal at last what Paul Martin stands for. Or doesn't, whether there is anything he stands against.

The Prime Minister spent two years pioneering every breeding Canadian she mooned on a wing. He didn't put a price tag on his generosity, but you could be forgiven for believing you had a friend in that, whether you wanted billions for Canada's crisis, billions for the province for health care, billions for seniors, billions for aid in Africa, billions for First Nations, billions in tax cuts, billions in debt reductions.

Delish. Is the Governor General will read Martin's first speech from the Throne. Maybe a month later, a budget will follow. And perhaps another after that, an election.

It has been great fun living in a thousandland of endless promises that never come. A lot of people are getting anxious.

Don Drummond is one of them. He used to be a Finance Department. He announced helping product Paul Martin's budget. Now he's chief economist for TD Bank-Financial Group. Last week he was in Ottawa talking a lauderdale crowd from his absence to meet for both sides.

John Martin spent a lot of money in his only budget as finance minister—and he had good for \$1 billion in future savings without affecting the future and where those savings might come from. So the consensus among Martin's has already launched will go toward meeting savings targets that have already been decided. It will feel like running up a down escalator part to way in place.

Drummond's Martin's right square not only on Martin but on his predecessor—Martin. "Almost all budget decisions," Drummond says, "have been increasing programs spending as an average annual part of about seven per cent since 1989-90 left the fiscal situation highly vulnerable." After that, all it took to get us into this fix was a \$685-billion, a small case crisis, a summer of budget fires and a soaring dollar.

So what what? Says money from wealth?



permanently in my program? Later said that Don Drummond doubts the government can reduce old-age security benefits to the pensioners, or defense to veterans' aid. That's half of the government's program spending, of the whole from the start.

Some of the money? His annual cost is actually only \$113 million. Meanwhile, the nation's mayors and parliament and associations count their demands in the thousands of millions.

The money used to think they could count on Martin to deliver a "New Deal" worth more than two syllables. Now? "Two of two minds about the guy," Calgary Mayor Dave Hancock told me after his latest meeting with Martin. Earlier Martin is trying to keep expectations down in the economy and keep reasons will be happy and grateful when he delivers—or he has so many options he can't figure out how to deliver on any of them. ■

To get money to the regions, you have to go through the provinces. They want health care money. And Martin's rule makes an imperfect substitute. "If he has a nice chat with us," one provincial official said, "and then he gives this money a cheque, we're not going to be satisfied with the rest of that."

So you pay the provinces for health. The money for infrastructure. What's left over in December, six groups in the college and university sector wrote Martin asking for a separate, dedicated post-secondary education transfer to the provinces. "We haven't heard back," Robert Carson, president of the Association of Universities and Colleges of Canada, told me.

Why an education transfer? Because, as health care rises as a fraction of provincial spending, colleges and universities fall.

Meanwhile, the usual grade for women applicants to the University of British Columbia is 69 per cent. UBC president Martha Hight would like to see 30,000 more university spaces as British Columbia alone increasing students and is entering Ottawa doesn't have to negotiate with the provinces to do that—but it does not go to help down after university spaces that don't exist.

The search sector is one of Canada's most spectacular success stories of the past decade. Martin can acknowledge that no measure or step is cold. The Canadian Institute of Health Research is running down almost 1,000 research applications a year that are needed "very good" or "excellent." The success rate for applicants to the New Investigator Award Program is only 20 per cent. CIBC's president, Alan Bonanza would like another \$379 million, right away.

Oh look, here comes the bottom of the page and we haven't even started on the details for defense, African aid, debt reduction or the Kyoto accord. Governing is about choosing. It is time to let for Martin to choose.

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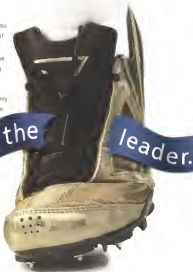
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Butter comes from a pure and natural source, milk — that's what gives it a genuine and unique flavour.

Butter.

